



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Asian Television Network International Limited**

Opinion

We have audited the accompanying consolidated financial statements of **Asian Television Network International Limited** (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and December 31, 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of **Asian Television Network International Limited** as at December 31, 2021 and December 31, 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis and any statutory or other reports which may include financial information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audits. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

The engagement partner on the audit resulting in this independent auditor's report is Umair Tasadduq.

AGT Partners LLP

LICENSED PUBLIC ACCOUNTANTS

Woodbridge, Canada
April 27, 2022

Asian Television Network International Limited

Consolidated Statements of Loss & Comprehensive Loss

For the years ended December 31, 2021 and December 31, 2020

	Note	2021	2020
Operating revenue	5	\$ 9,503,914	\$ 10,075,256
Operating expenses			
Administrative expenses		902,794	832,635
Marketing and distribution costs	6	6,427,544	6,955,639
Employee costs	20	1,584,236	1,421,180
Depreciation and amortization	7	855,376	853,101
Finance costs		55,565	66,439
Loss (gain) on foreign exchange		2,056	2,436
Total operating expenses		9,827,571	10,131,430
Income (Loss) before tax		(323,657)	(56,174)
Income tax expense (recovery)	8	(156,772)	478,432
Net Loss & Comprehensive Loss for the period		\$ (166,885)	\$ (534,606)
Loss per share			
Basic	10	\$ (0.01)	\$ (0.02)
Diluted	10	\$ (0.01)	\$ (0.02)

See accompanying notes.

Asian Television Network International Limited

Consolidated Statements of Financial Position

As at December 31, 2021 and December 31, 2020

	Note	2021	2020
Current assets			
Cash and cash equivalents	13 \$	54,900 \$	68,892
Restricted cash	16	500,000	500,000
Trade and other receivables		1,947,118	2,221,351
Income taxes recoverable		134,719	2,754
Prepaid expenses		-	46,307
Total current assets		2,636,737	2,839,304
Non-current assets			
Plant and equipment	11	3,552,246	1,663,206
Intangible assets	12	4,748	96,437
Long-term investments	14	2,000,000	2,200,000
Other long-term assets		95,130	42,728
Total non-current assets		5,652,124	4,002,371
TOTAL ASSETS		\$ 8,288,861	\$ 6,841,675
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	15 \$	2,698,253 \$	3,283,390
Bank indebtedness	16	200,000	60,000
Lease liabilities - current portion		519,723	509,301
Total current liabilities		3,417,976	3,852,691
Non-current liabilities			
Deferred tax liabilities	8	-	156,773
Lease liabilities		2,419,791	214,232
TOTAL LIABILITIES		5,837,767	4,223,696
SHAREHOLDERS' EQUITY		2,451,094	2,617,979
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 8,288,861	\$ 6,841,675

Commitments (Note 17)

Subsequent event (Note 13)

See accompanying notes.

On behalf of the Board:

Signed

Dr. Shan Chandrasekar

Director

Signed

Prakash Naidoo

Director

Asian Television Network International Limited

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2021 and December 31, 2020

	Note	Number of common shares	Common shares amounts	Retained earnings	Total shareholders' equity
Balances, January 1, 2021		24,402,914	\$ 6,025,852	\$ (3,407,873)	\$ 2,617,979
Net loss for the period		-	-	(166,885)	(166,885)
Dividends paid or payable		-	-	-	-
Balances, December 31, 2021	9	24,402,914	\$ 6,025,852	\$ (3,574,758)	\$ 2,451,094
<hr/>					
Balances, January 1, 2020		24,402,914	\$ 6,025,852	\$ (2,873,267)	\$ 3,152,585
Net loss for the period		-	-	(534,606)	(534,606)
Dividends paid or payable		-	-	-	-
Balances, December 31, 2020	9	24,402,914	\$ 6,025,852	\$ (3,407,873)	\$ 2,617,979

See accompanying notes.

Asian Television Network International Limited

Consolidated Statements of Cash flows

For the years ended December 31, 2021 and December 31, 2020

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss for the period		\$ (166,885)	\$ (534,606)
Adjustments for:			
Finance costs		55,565	66,439
Depreciation and amortization	7	1,159,186	1,583,064
Deferred income tax		(156,773)	478,432
Changes in working capital:			
(Increase) decrease in trade and other receivables		274,233	(851,091)
(Increase) decrease in prepaid expenses		46,307	(2,978)
Increase (decrease) in accounts payable and accrued liabilities		(585,136)	(640,920)
Interest paid		(55,565)	(66,439)
Recovery (Payment) of income taxes		(131,965)	203,729
NET CASH FLOWS FROM OPERATIONS		438,967	235,630
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments to acquire plant and equipment		(18,111)	(6,370)
Payments to acquire intangible assets		(212,121)	(84,246)
Payments to acquire other long-term assets		(52,402)	2,820
(Payments to acquire) Proceeds from disposition of investments		200,000	300,000
NET CASH FLOWS (USED IN) FROM INVESTING		(82,634)	212,204
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from (repayment of) bank indebtedness		140,000	60,000
Repayment of lease obligation		(510,325)	(543,289)
NET CASH FLOWS (USED IN) FROM FINANCING		(370,325)	(483,289)
Net decrease in cash and cash equivalents		(13,992)	(35,456)
Cash and cash equivalents at beginning of period		68,892	104,348
Cash and cash equivalents at end of period		\$ 54,900	\$ 68,892

See accompanying notes.

Asian Television Network International Limited

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and December 31, 2020

1 Nature of Business

Asian Television Network International Limited ("ATN" or the "Company") is incorporated under the laws of the province of Ontario and its shares are traded on the TSX Venture Exchange under the symbol SAT.V. The Company's executive offices are located at 330 Cochrane Drive, Markham, Ontario, Canada L3R 8E4. Its activities comprise providing specialty, pay television broadcasting and advertising primarily aimed at the South Asian community in Canada. ATN is the ultimate parent of the group of companies listed in Note 2 below.

These consolidated financial statements were approved for issue by the Company's Board of Directors on April 27, 2022.

2 Summary of Significant Accounting Policies

a. Basis of Presentation

These consolidated financial statements have been prepared by the Company in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") up to December 31, 2021.

They are prepared using the historical cost basis.

The consolidated statements of financial position differentiate between current and non-current assets and liabilities. The consolidated statements of income present expenses based upon their nature. The presentation currency and the functional currency of the Company is the Canadian dollar.

b. Basis of Consolidation

The consolidated financial statements include the accounts of Asian Television Network International Limited and its wholly-owned subsidiaries. All inter-company transactions and balances are eliminated on consolidation.

Significant subsidiaries are as follows:

	Percentage Owned	
	2021	2020
Subsidiaries:		
Asian Television Network Inc.	100%	100%
Commonwealth Broadcasting Ltd.	100%	100%
JCTV Productions Ltd.	100%	100%
South Asian Television Network Limited	100%	100%
South Asian Television Canada Limited	100%	100%

c. Revenue Recognition

The Company derives revenue from the transfer of services. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognized when the performance obligation in the contract has been performed - "point in time" recognition.

Subscription revenues are recognized monthly, based on the number of subscribers reported by the Company's major Broadcast Distribution Undertakings (BDUs) at agreed upon rates. As the Company does not have a direct contract with the end user (the subscriber) any adjustments in fees by the BDUs, for whatever reason, are accounted for prospectively as revenue in the period reported. Because BDUs are the only viable system available to the Company to deliver its product to the end user, reliance is placed on information provided by the BDUs and is considered an industry practice.

Advertising revenues, net of agency commissions, are recognized in the period in which the advertising is aired on the Company's television network and when collection is reasonably assured.

Asian Television Network International Limited

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and December 31, 2020

d. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company always recognizes lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

e. Impairment of non-financial and long-lived assets

The Company reviews its long-lived assets for impairment at the end of each reporting period for events and changes in circumstances which indicate that the carrying amount may not be recoverable. Recoverability is assessed based on the carrying amount of a long-lived asset compared to the sum of the future undiscounted cash flows expected to result from its use and the eventual disposal of the asset. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would be determined, net of depreciation or amortization, if no impairment loss had been recognized. To December 31, 2021, \$ nil (2020 - \$nil) impairment losses have been recognized in these consolidated financial statements.

f. Plant and Equipment

i. Costs capitalized

Costs are included in the plant and equipment's carrying value or recognized as a separate asset when it is probable that future economic benefits associated with the item will be realized and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the consolidated statement of loss.

ii. Derecognition

Plant and equipment is derecognized and removed from the consolidated statements of financial position on disposal or when no future economic benefits are expected. Gains and losses from derecognition are measured as the difference between the disposal proceeds, if any, and the carrying amount and are recognized in the consolidated statement of loss.

iii. Depreciation

Plant and equipment are recorded at cost and are depreciated on a straight-line or declining balance basis over their estimated useful life which is as follows:

Furniture and fixtures	20% declining balance
IT equipment	4 to 10 years straight line
Broadcast equipment	2 to 10 years straight line
Right of use asset - building	5 years straight line
Right of use asset - other	1 to 2 years straight line

Leasehold improvements are depreciated on a straight-line basis over the remaining term of the related lease(s).

Asian Television Network International Limited

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and December 31, 2020

g. Intangible Assets

i Costs capitalized

Intangible assets (broadcast licenses) are carried at cost less accumulated amortization and accumulated impairment losses.

ii Derecognition

Intangible assets are derecognized and removed from the consolidated statements of financial position on disposal or when no future economic benefits are expected. Gains and losses from derecognition are measured as the difference between the disposal proceeds, if any, and the carrying amount and are recognized in the consolidated statement of loss.

iii Amortization

The Company amortizes intangible assets on a straight-line basis over their estimated useful lives. The amortization amount is included in Marketing and Distribution costs in the statements of loss. The Company monitors and reviews the useful lives, residual values, and amortization methods at least once a year and changes them if they are different from previous estimates. The Company recognizes the effects of changes in estimates in the consolidated statements of loss prospectively. The estimated useful lives for intangibles with finite lives are as follows:

Broadcast licence	estimated life of the contract from 1 to 2 years
-------------------	--------------------------------------------------

h. Leases

The Company adopted IFRS 16 on January 1, 2020. On the lease commencement date, a right-of-use asset and a corresponding lease liability is recognized. The right-of-use asset is initially measured at cost, which corresponds to the value of the lease liability adjusted for any lease payments made at or before the commencement date, lease incentives, initial direct costs incurred and estimated dismantling or restoration cost payable at the end of the lease. The right-of-use asset is subsequently depreciated using the straight-line method over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise (where applicable):

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

This policy is in place for all leases except for short-term leases (less than 12 months) and leases of low value where the Company recognizes lease payments made as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the pattern of the benefit obtained from the lease.

i. Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect is material, provisions are determined by discounting the expected future cash flows using a current pre tax rate that reflects, where appropriate, the risks specific to the liability.

Asian Television Network International Limited

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and December 31, 2020

j. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are stated at cost, which approximates fair value due to the short term nature of these liabilities.

k. Other Comprehensive Income/Loss

Other comprehensive income/loss represents the change in net equity for the period that arises from unrealized gains and losses on financial instruments accounted for through OCI. Amounts included in other comprehensive income are shown net of tax.

The Company does not have any other comprehensive income items.

l. Cash and Cash Equivalents

Cash, which are deposits held in financial institutions, and cash equivalents, which are short term investments with an original maturity of three months or less, are stated at their fair value.

m. Income Taxes

Income tax expense is comprised of current and deferred taxes. Current tax and deferred tax are recognized in the consolidated statement of income/loss except to the extent that they relate to a business combination, or items recognized directly in equity or other comprehensive income.

The calculation of current tax is based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences will reverse. Deferred tax assets are recognized for unused tax losses and unused tax credits to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable income will be available.

n. Employee Benefits

i. Short-term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are recognized as a liability and expense as employees render service.

ii. Termination benefits

Termination benefits are recognized as a liability and an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a detailed formal plan to either terminate employment of an employee before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary departure. Where termination benefits are payable more than 12 months after the reporting period, they are discounted to their present value.

Asian Television Network International Limited

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and December 31, 2020

o. Marketing and Distribution Costs

Management considers program, broadcast costs, satellite, fiber and advertising costs to be marketing and distribution costs. Program and broadcast costs represent contractual rights acquired from third parties to broadcast television programs and multi-year sports programming arrangements paid on a monthly basis. These program rights are expensed as incurred. Satellite and fiber costs represent the cost to receive and deliver broadcast signals from third party suppliers and to deliver the signals to BDUs. Advertising represents the cost to market and promote the various television programs and multi-year sports programming arrangements.

p. Government Grants

Government grants are recognized if there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants received or receivable are applied to reduce the expense to which they relate.

q. Dividends

Dividends are not recognized in the consolidated financial statements until they have been approved and declared by the Board of Directors.

r. Earnings per Share

The Company presents basic and diluted earnings/loss per share data. Basic earnings/loss per share is calculated by dividing the income or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. The diluted earnings per share is determined by dividing the income or loss attributable to common shareholders by the weighted average number of common shares outstanding after adjusting for potentially dilutive effects of instruments that are convertible into common shares.

s. Foreign Currency Translation

i Monetary assets and liabilities at current rates

Foreign currency transactions are translated at the rates of exchange in effect at the date of the transaction. Resulting foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the statement of financial position date. Gains and losses on foreign exchange are recognized in the consolidated statement of income/loss.

ii Non-monetary assets and liabilities

Non-monetary assets and liabilities that are measured on a historical cost basis are translated at the rates of exchange in effect at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value are translated at the rates of exchange in effect at the statement of financial position date. Gains and losses on foreign exchange are recognized in the consolidated statement of income/loss.

t. Borrowing Costs

The Company expenses borrowing costs in the period the costs are incurred.

Asian Television Network International Limited

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and December 31, 2020

u. Critical Accounting Estimates, Judgments and Assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Estimates and assumptions are generally based on historical experience and other factors management believes to be relevant at the time financial statements are prepared. Although these estimates and assumptions are made with diligence, actual results could differ from the reported amounts disclosed in the Company's consolidated financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Examples of significant estimates include:

- Estimated useful life of assets;
- Allowance for doubtful accounts;
- Deferred income taxes;
- Determination of lease term of contracts with renewal options
- Incremental borrowing rate of leases.

3 Capital Risk Management

The Company defines capital as the aggregate of shareholders' equity (excluding accumulated other comprehensive income) and long term liabilities (excluding deferred income taxes) less cash and cash equivalents. The Company targets a maximum net debt to equity ratio of 1 to 1 which it continued to accomplish in the current reporting period.

The components of the Company's capital structure are as follows:

	2021	2020
Long-term debt	\$ -	\$ -
Lease obligations	2,939,514	723,533
Less: Cash and cash equivalents	54,900	68,892
Net debt	2,884,614	654,641
Shareholders' equity	2,451,094	2,617,979
Total capital	\$ 5,335,708	\$ 3,272,620
Gearing ratio	1.177	0.250

The Company's overall capital management objectives are to create shareholder value through organic growth of its operations and through acquisitions, and to maintain the most optimal capital structure to minimize its cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to generate cash and reduce debt as necessary.

4 Segment Information

Management has determined the Company has one operating segment.

Asian Television Network International Limited

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and December 31, 2020

5 Operating Revenue

	2021	2020
Subscription	\$ 6,824,199	\$ 7,999,431
Advertising	2,528,196	1,872,796
Programming	134,891	165,074
Finance income	16,628	37,955
Total	\$ 9,503,914	\$ 10,075,256

During the year, the Company has brought back into Subscription revenue \$142,000 of unused advertising commitments that expired during the year.

6 Marketing and Distribution Costs

	2021	2020
Programming and broadcast costs	\$ 5,784,165	\$ 6,206,464
Satellite and fibre costs	365,169	547,490
Advertising	101,287	77,900
Marketing and other distribution costs	176,923	123,785
Total	\$ 6,427,544	\$ 6,955,639

7 Depreciation and amortization

Depreciation and amortization for the period is recognized in the consolidated income statement as follows:

	2021	2020
Broadcast equipment	\$ 389,393	\$ 396,817
IT equipment	10,832	9,637
Furniture and fixtures	7,280	9,100
Right of use assets	415,869	405,545
Leasehold improvements	32,002	32,002
Depreciation	855,376	853,101
Amortization - broadcast licenses included in marketing and distribution costs	303,810	729,963
Impairments	-	-
Total depreciation and amortization	\$ 1,159,186	\$ 1,583,064

Asian Television Network International Limited

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and December 31, 2020

8 Income Taxes

The total income tax recovery varies from the amounts that would be computed by applying the weighted average statutory tax rate to net income before income taxes of the Company and its wholly owned subsidiaries for the following reasons:

	2021	2020
Statutory tax rate	26.50%	26.50%
Loss before tax	\$ (323,657)	\$ (56,174)
Income tax recovery at the statutory tax rates applied to income before income taxes	(85,769)	(14,886)
Increase (decrease) in income taxes resulting from:		
- Non-deductible permanent differences and other	\$766	(8,267)
- Deferred tax assets not recognized	-	501,585
- Benefit from previously unrecognized tax losses	(71,769)	-
	\$ (156,772)	\$ 478,432

Major components of the income recovery recorded on the consolidated income statements are as follows:

	2021	2020
Current	\$ -	\$ -
Deferred (recovery) expense	(156,772)	478,432
Income tax expense (recovery)	\$ (156,772)	\$ 478,432

Significant deferred tax assets and liabilities arising from the effect of temporary differences are as follows:

	2021	2020
Plant and equipment	\$ 757,733	\$ 238,846
Non-capital losses	390,421	244,513
Other items	-	-
Deferred tax assets	\$ 1,148,154	\$ 483,359

	2021	2020
Plant and equipment	\$ 1,148,154	\$ 640,132
Other items	-	-
Deferred tax liabilities	\$ 1,148,154	\$ 640,132
	\$ -	\$ (156,773)

The total deferred tax asset on non-capital losses to date not recognized as of December 31, 2021 is \$126,803 (2020 - \$493,543). There is uncertainty that there may not be adequate taxable income in the foreseeable future against which these losses can be utilized. The Company has approximately \$1,952,000 in taxable losses being carried forward that of which approximately \$915,000 will expire in 2039, approximately \$464,000 will expire in 2040, and approximately \$573,000 will expire in 2041.

Asian Television Network International Limited

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and December 31, 2020

9 Authorized & Share Capital

The Company's authorized and issued capital are as follows:

- An unlimited number of Class "A" preference shares, with no par value, with a \$0.12 cumulative dividend, payable on the third anniversary date from issuance. They are non-voting, redeemable and retractable at the amount paid thereon after the third anniversary date from issuance and convertible at the option of the holder at the rate of \$225,000 of preference shares in exchange for 1% issued and outstanding common shares. None of this class of shares are outstanding.

- An unlimited number of Class "B" preference shares, with no par value, which have non-cumulative dividends, are non-voting, and are redeemable and retractable at the amount paid thereon. None of this class of shares are outstanding.

- An unlimited number of common shares with no par value. The following details the issued and outstanding common shares for the years ended December 31, 2021 and December 31, 2020:

Common shares	Number	Dollar amount
Balance, December 31, 2018	24,402,914	\$ 6,025,852
Issued, repurchased or cancelled shares	-	-
Balance, December 31, 2020	24,402,914	6,025,852
Issued, repurchased or cancelled shares	-	-
Balance, December 31, 2021	24,402,914	\$ 6,025,852

10 Loss per Share

The following table sets forth the computation of basic and diluted income (loss) per share for the comparable periods:

	2021	2020
Numerator for basic and diluted income (loss) per share available to common shareholders		
Net income (loss) attributable to common shareholders	\$ (166,885)	\$ (534,606)
Denominator for basic income (loss) per share - weighted average number of shares outstanding	24,402,914	24,402,914
Effect of potentially dilutive instruments	-	-
Denominator for dilutive income (loss) per share - adjusted weighted average shares	24,402,914	24,402,914
Basic and dilutive income (loss) per share	\$ (0.01)	\$ (0.02)

Asian Television Network International Limited

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and December 31, 2020

11 Plant and equipment

	December 31, 2021			December 31, 2020		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Furniture and fixtures	\$ 327,661	\$ 295,541	\$ 32,120	\$ 327,661	\$ 288,261	\$ 39,400
IT equipment	517,377	444,781	72,596	504,765	433,949	70,816
Broadcast equipment	5,999,316	5,561,141	438,175	5,993,636	5,171,748	821,888
Leasehold improvements	466,580	277,261	189,319	466,580	245,259	221,321
Right of use asset - building	6,220,303	3,484,732	2,735,571	3,598,450	3,088,669	509,781
Right of use asset - other	211,177	126,712	84,465	106,906	106,906	-
	\$ 13,742,414	\$ 10,190,168	\$ 3,552,246	\$ 10,997,998	\$ 9,334,792	\$ 1,663,206

Changes in the net carrying amounts of plant and equipment during 2021 are summarized as follows:

	January 1, 2021				December 31, 2021	
	Net book value	Additions	Disposals	Depreciation	Disposals / Other	Net book value
Furniture and fixtures	\$ 39,400	\$ -	\$ -	\$ (7,280)	\$ -	\$ 32,120
IT equipment	70,816	12,612	-	(10,832)	-	72,596
Broadcast equipment	821,888	5,680	-	(389,393)	-	438,175
Leasehold improvements	221,321	-	-	(32,002)	-	189,319
Right of use - building	509,781	\$ 2,621,853	-	(396,063)	-	2,735,571
Right of use - other	-	104,271	-	(19,806)	-	84,465
	\$ 1,663,206	\$ 2,744,416	\$ -	\$ (855,376)	\$ -	\$ 3,552,247

Changes in the net carrying amounts of plant and equipment during 2020 are summarized as follows:

	January 1, 2020				December 31, 2020	
	Net book value	Additions	Disposals	Depreciation	Disposals / Other	Net book value
Land	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -
Building	0	-	-	0	-	-
Furniture and fixtures	\$ 50,210	\$ -	\$ (1,710)	\$ (9,100)	\$ -	\$ 39,400
IT equipment	80,453	-	-	(9,637)	-	70,816
Broadcast equipment	1,212,335	6,370	-	(396,817)	-	821,888
Leasehold improvements	253,323	0	-	(32,002)	-	221,321
Right of use - building	869,626	\$ -	-	(359,845)	-	509,781
Right of use - other	45,700	-	-	(45,700)	-	0
	\$ 2,511,647	\$ 6,370	\$ (1,710)	\$ (853,101)	\$ -	\$ 1,663,206

The total cash outflow, including interest and principal, for the building lease and other leases presented as right of use for the year ended December 31, 2021 was \$512,735 and \$18,945 respectively.

The right of use - building lease represents the Company's head office as described in Note 1 above. The right of use - other assets primarily consist of broadcast equipment and vehicles that are being leased along with other software costs.

The total amount of interest expense on right of use lease liabilities during the year was \$46,610.

Included in leasehold improvements is equipment acquired under finance lease obligation having a cost of \$94,125 of which \$8,295 is financed through finance lease obligation. The net carrying amount for the leasehold improvements is \$50,121 and depreciation for the year amounted to \$6,512 (2020 - \$6,512).

Included in Broadcast equipment is equipment acquired under finance lease obligation having a cost of \$271,544 of which \$182,421 is financed through finance lease obligation. The net carrying amount for the equipment is \$116,847 and depreciation for the year amounted to \$26,612 (2020 - \$27,323).

Asian Television Network International Limited

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and December 31, 2020

12 Intangible assets

	December 31, 2021			December 31, 2020		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated depreciation	Net book value
Broadcast licenses	\$ 4,573,507	\$ 4,568,759	\$ 4,748	\$ 4,361,386	\$ 4,264,949	\$ 96,437
	\$ 4,573,507	\$ 4,568,759	\$ 4,748	\$ 4,361,386	\$ 4,264,949	\$ 96,437

Changes in the net carrying amounts of intangible assets are summarized as follows:

	January 1, 2021				December 31, 2021	
	Net book value	Additions	Disposals	Amortization	Disposals / Other	Net book value
Broadcast licenses	\$ 96,437	\$ 212,121	\$ -	\$ (303,810)	\$ -	\$ 4,748
	\$ 96,437	\$ 212,121	\$ -	\$ (303,810)	\$ -	\$ 4,748

Changes in the net carrying amounts of intangible assets are summarized as follows:

	January 1, 2020				December 31, 2020	
	Net book value	Additions	Disposals	Amortization	Disposals / Other	Net book value
Broadcast license	\$ 742,154	\$ 84,246	\$ -	\$ (729,963)	\$ -	\$ 96,437
	\$ 742,154	\$ 84,246	\$ -	\$ (729,963)	\$ -	\$ 96,437

13 Cash and Cash Equivalents

	December 30, 2021	December 31, 2020
Cash on hand	\$ 500	\$ 500
Bank balances	54,400	68,392
Total	\$ 54,900	\$ 68,892

14 Investments

Long-term investments are Guaranteed Investment Certificates held at a major Canadian financial institutions with maturities greater than one year after year end.

15 Accounts Payable and Accrued Liabilities

	December 30, 2021	December 31, 2020
Accounts and other payable	\$ 2,510,628	\$ 2,701,333
Accrued liabilities	187,625	582,057
Total	\$ 2,698,253	\$ 3,283,390

Asian Television Network International Limited

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and December 31, 2020

16 Bank indebtedness

The Company has an authorized line of credit (the "Line") of a maximum of \$500,000 at a Canadian financial institution. The interest rate applicable is the financial institution's prime rate plus 0.5%, per annum. \$200,000 of the \$500,000 line of credit is utilized as of December 31, 2021 (2020 - \$60,000). The lending is secured by a \$500,000 Guaranteed Investment Certificate held with the same major Canadian financial institution which bears interest at the prevailing GIC rate when it is renewed.

17 Commitments

In the normal course of its operations, the Company has entered into agreements for the acquisition of program rights to be aired on its television network along with agreements for signal delivery to distribute the acquired rights to Broadcast Distribution Undertakings with terms ranging from one to two years. The acquisition of the rights and related obligations is contingent on the actual delivery of programming by the supplying partners and on other contractual terms. The total commitment for programming rights, signal delivery and other commitments that are measurable, as at December 31, 2021, are estimated as follows:

2022	1,295,758
2023	216,000
2024	-
	<hr/>
	\$ 1,511,758

Included in the above is an amount of \$207,385 for Broadcast Equipment. The lease on the acquisition of the equipment has not yet commenced as details remain to be finalized.

18 Related Party Transactions

Transactions with key management personnel

Key management personnel include the directors and senior management of the Company that are primarily responsible for planning, directing and controlling the Company's business activities. Compensation expense for key management is included in employee costs at \$920,638 (2020 - \$921,739).

19 Financial Instruments

a. Risks Arising from Financial Instruments

In the normal course of business, the Company has exposure, consisting primarily of interest rate risk, credit risk, foreign exchange risk and liquidity risk, arising from its financial instruments. The Company manages these risk exposures on an ongoing basis.

i Interest rate risk

Borrowing under the Company's Line of credit is subject to interest rate fluctuations. The Company is not materially exposed to interest rate risk.

Furthermore, interest rate fluctuations could have an impact on the Company's interest income that it earns on its cash balance. The Company has an investment policy designed to safeguard its capital and generate a reasonable return. The policy sets out the types of permissible investment instruments, their concentration and acceptable credit ratings.

Interest rate fluctuations also have an impact on the Company's consolidated net income and comprehensive income. With all other variables held constant, a 1% interest rate change would have an insignificant impact to the consolidated net income.

Asian Television Network International Limited

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and December 31, 2020

19 Financial Instruments - continued

a. Risks Arising from Financial Instruments - continued

ii Foreign currency risk

A portion of the Company's revenue and expenses are in foreign currencies. Consequently, some assets and liabilities are exposed to foreign exchange fluctuations.

Changes in foreign exchange rates may cause translation effects that have a significant impact on operating costs and consolidated net income. A 10% strengthening of the Canadian dollar, which is not hedged, for the year ended December 31, 2021 would have a positive impact of \$44,288 (2020 - \$30,648) on net income. A 10% weakening would have an equal but opposite impact. This sensitivity analysis was prepared by using the average monthly foreign exchange rates over the period adjusted for a 10% variation and applied to those transactions during the period in the relevant foreign currency.

	2021	2020
Revenue	\$ 3,567	\$ 3,776
Expenses	\$ 47,855	\$ 27,946
Impact on consolidated income	\$ 44,288	\$ 31,722

iii Credit risk

Credit exposure on financial instruments arises from the possibility that a counterparty to an instrument for which the Company is entitled to receive payment fails to perform. Trade and other receivables arise mainly from monthly wholesale fees charged to BDUs in connection with specialty and pay television subscriptions and from the sales of advertising aired or posted on the Company's television channels.

Customers distributing the Company's television services are generally large companies with stable financial conditions, thereby mitigating the Company's credit risks related to accounts receivable from such customers. The Company's credit exposure emanating from advertising transactions with advertising agencies and direct clients is influenced by the global economic environment. The Company performs ongoing customer credit evaluations. Allowances, which are estimated on the basis of historical loss rates adjusted for current events, are monitored by management on an ongoing basis. Accounts receivable are written off against the allowance for doubtful accounts only when the Company believes that an outstanding amount will not be recovered. For the year ended December 31, 2021, the Company recognized an additional \$9,778 (2020 - \$8,857) in allowances for doubtful accounts in operating expenses on the consolidated income statements. Historically, the Company has not suffered any material losses related to credit risk. The Company manages its accounts receivable on an ongoing basis and every month management reviews the accounts receivable aging.

The maximum credit risk to which the Company is exposed equals its accounts receivable.

Trade and other receivables are aged as follows as at December 31, 2021:

	2021	2020
Current	\$ 1,353,755	\$ 1,764,635
31-60 days	253,882	337,079
61-90 days	69,678	27,636
Over 90 days	343,908	156,328
	2,021,223	2,285,678
Less: allowance for doubtful accounts	(74,105)	(64,327)
Total	\$ 1,947,118	\$ 2,221,351

Asian Television Network International Limited

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and December 31, 2020

19 Financial Instruments - continued

a. Risks Arising from Financial Instruments - continued

iii Credit risk - continued

Given the limited number of clients distributing its television services, the Company faces a high degree of concentration risk. As at year end, three major customers accounted for 48% of total trade receivables.

Credit risk from investing activities is minimized by establishing investment policies in liquid securities with high credit ratings and maintaining accounts in reputable financial institutions with high quality credit ratings.

iv Market risk

The loss of an important relationship would have a significant impact on the Company. To mitigate this risk, the Company enters into long-term contracts with its major clients who are Broadcast Distributions Undertakings. Furthermore, the Company has developed a broad selection of popular pay and specialty services that deliver quality programming. ATN's services have thus become key and highly demanded components of the offerings of those distributors in the markets they serve. For the year ended December 31, 2021 approximately 61% (2020 - 63%) of the Company's revenue was derived from three broadcast distributors 10%, 19% and 32% (2020 - 10%, 23% and 30%).

v Liquidity risk

Liquidity risk is the risk that the Company would not be able to meet its financial obligations as they come to maturity or can only do so at excessive costs. Based on the Company's ability to generate cash flows through its ongoing operations, management believes that cash flows are sufficient to cover its known operating and capital requirements, as well as its debt service and its current and longer term commitments. Therefore, management evaluates that the Company's liquidity risk is low. The liquidity risk is also considered to be low due to the fact that the Company has access to the unused portion of its credit facilities which amounted to \$500,000 as at December 31, 2021. Finally, the Company manages its liquidity risk by monitoring its cash resources through ongoing financial and cash flow forecasts.

The contractual amounts of financial liabilities as at December 31, 2021 are as follows:

	Maturing in next 12 months	Maturing in more than 13 to 36 months	Maturing in more than 37 to 60 months	Maturing in more than 60 months	Total
Accounts payable and accrued liabilities	\$ 2,698,253	\$ -	\$ -	\$ -	\$ 2,698,253
Lease obligations - interest	79,888	112,356	49,934	-	242,178
Lease obligations - principal	519,723	1,080,873	1,338,918	-	2,939,514
	\$ 3,297,864	\$ 1,193,229	\$ 1,388,852	\$ -	\$ 5,879,945

b. Fair Values

The carrying values of cash, trade and other receivable, accounts payable and accrued liabilities approximates their fair values because of the short term nature of these financial instruments. The fair value of the Company's long-term debt and lease obligation is not significantly different from its carrying amount, due to the market rate of interest charged on the balance.

Asian Television Network International Limited

Notes to Consolidated Financial Statements

For the years ended December 31, 2021 and December 31, 2020

20 Government assistance & grants

During the year, the Company continued to be approved for tax credits to subsidize part of its qualified labour expenditure it incurred in prior periods. The tax credit accrued during the year in accounts receivable, amounted to \$484,000 and is presented as a reduction in its Employee expense line on the statements of loss.

In response to the COVID-19 coronavirus pandemic, the government of Canada introduced the Canada Emergency Wage Subsidy ("CEWS") program for companies that have seen a drop in revenue due to COVID-19 to subsidize a part of employee wages and help prevent further job losses. The CEWS provided eligible businesses with a reimbursement of a portion of their employee expense for the period from March 15, 2020 onwards subject to certain eligibility criteria. The Company continued to apply for the CEWS during the year to the extent it met the requirements to receive the subsidy. In accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, during the year, the Company recognized \$151,000 as a reimbursement of employee expense under CEWS program. The Company presents the subsidy as a reduction in its Employee expense line on the statements of loss.

The Company also applied for the Canadian Emergency Rent Subsidy ("CERS") program introduced by the government of Canada to assist businesses by subsidizing a part of rental expense based on the same criteria applicable for CEWS. For the period from January to December 2021, the Company recognized \$61,000 as a reimbursement under the CERS program and has presented this as a reduction to Administrative expense line on the statements of loss.

The Company also received a second tranche of government grant as part of COVID-19 Emergency Support Fund for Cultural, Heritage and Sport Organizations (the "Fund"). The Fund complements other Government of Canada initiatives and is issued to help Canadian workers and employers subsidize a portion of their operating costs. The amount of grant received up to the period ending December 31, 2021 is \$69,000 and is presented as a reduction in the Company's Administrative expenses on the statements of loss.

21 Subsequent Events

The COVID-19 pandemic evolved rapidly in 2021, with a significant number of cases. Measures taken by governments to contain the virus have affected economic activity but as restrictions eased during the year, the company has observed a slight pick up in its advertising revenue compared to 2020. The government has eased restrictions even further in 2022 but the Company continues to take a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people including social distancing and working from home. The Company has also substantially reduced its in-house productions to adhere to social distancing restrictions. The Company has been the recipient of government assistance (Note 20) with respect to defraying part of its costs and has mostly stopped being eligible for such programs by the end of 2021. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

22 Comparative Consolidated Financial Statements

Certain comparative consolidated figures from the prior year have been reclassified from statements previously presented to conform to the presentation of the 2021 consolidated financial statements. This had no impact on the prior year's reported loss.